



**COMMUNITY DEVELOPMENT COMMISSION
of the County of Los Angeles**

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**Gloria Molina
Mark Ridley-Thomas
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich**
Commissioners

Sean Rogan
Executive Director

October 13, 2009

Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Honorable Board of Commissioners
Community Development Commission
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors and Commissioners:

**APPROVE THE SUBMISSION OF A SECTION 108 LOAN GUARANTEE AND
ECONOMIC DEVELOPMENT INITIATIVE GRANT APPLICATION FOR THE SOUTH
HEALTH CENTER PROJECT IN UNINCORPORATED WILLOWBROOK
(DISTRICT 2) (3 VOTE)**

SUBJECT

This letter recommends approval of an application to the U.S. Department of Housing and Urban Development for a Section 108 Loan Guarantee of approximately \$10,000,000 and a companion Economic Development Initiative (EDI) grant of approximately \$10,000,000. These funds will provide financing for the South Health Center, an approximately 33,000 square foot health facility to be located in the federally designated Empowerment Zone in unincorporated Willowbrook.

IT IS RECOMMENDED THAT THE BOARD OF SUPERVISORS:

1. Acting in the role of a Responsible Agency for the development of the South Health Center, certify that the County of Los Angeles has independently considered and reached its own conclusions regarding the environmental effects of the project; and certify that the Amended Environmental Assessment/Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program adopted by the Community Development Commission (Commission), as Lead Agency, adequately address the environmental impacts of the project; and adopt by reference

ADOPTED

Community Development Commission

2-D

OCTOBER 13, 2009

SACHI A. HAMAI
EXECUTIVE OFFICER

the Commission's environmental findings in connection with approval of the South Health Center project.

2. Approve the submission of an application to the U.S. Department of Housing and Urban Development (HUD) for a Section 108 Loan Guarantee of approximately \$10,000,000 and a companion Economic Development Initiative (EDI) grant of approximately \$10,000,000, which will provide financing for the South Health Center, an approximately 33,000 square foot health facility to be located on the northwest corner of 120th Street and Wilmington Avenue in the federally designated Empowerment Zone.
3. Designate the Commission to act as the agent of the County for submission of the Section 108 Loan Guarantee and EDI grant application to HUD, and for any other HUD-required actions necessary to complete the application.
4. Approve the transfer of any Section 108 Loan Guarantee and EDI grant funds awarded by HUD to the Commission to provide financing for the South Health Center project.

IT IS RECOMMENDED THAT THE BOARD OF COMMISSIONERS:

1. Authorize the Executive Director to execute a Section 108 Contract for Loan Guarantee Assistance and EDI grant agreement with HUD, and all related documents, and to take all HUD-required actions on behalf of the County to receive the loan and grant funds, following approval as to form by County Counsel.
2. Authorize the Executive Director to execute any future amendments to the Section 108 Contract for Loan Guarantee Assistance, EDI grant agreement, and related documents; to take all HUD-required actions to modify loan conditions and interim and permanent financing; and to execute all related documents to participate in HUD's public offering of notes, for the purposes described above, following approval as to form by County Counsel.
3. Authorize the Executive Director, following approval by the U.S. Department of Housing and Urban Development (HUD), to accept from the County any Section 108 Loan Guarantee and Economic Development Initiative (EDI) grant funds awarded by HUD for the development of the South Health Center.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On August 11, 2009, your Board approved the establishment of a Capital Project for the South Health Center. The proposed Section 108 Loan Guarantee and EDI grant funds will provide financing for the development of a new facility at the new location, and enable the Department of Public Health (DPH) to provide expanded services to the low-income community. DPH provides services through its clinics for sexually transmitted diseases, tuberculosis, and communicable disease immunizations. The new facility will meet the County's requirements for sustainable buildings (Leadership in Energy and Environmental Design Silver or better). The heating, ventilation and air conditioning (HVAC) system will be designed to meet current infection control standards. By operating in a new building, DPH will offer patients improved service delivery such as shorter waiting times; a secure and private setting for each of the clinic services to better manage patient medical care; and community meeting room/classroom space to encourage community engagement in health education.

FISCAL IMPACT/FINANCING

Following approval by HUD, the County will receive a total of \$20,000,000, comprised of approximately \$10,000,000 in Section 108 Loan Guarantee funds and \$10,000,000 in EDI grant funds. The loan will be drawn down using interim financing for the first year of the loan followed by permanent financing for the remaining loan term. Interim financing is subject to a variable interest rate of the London InterBank Offered Rate (3-month LIBOR rate), plus 20 basis points (0.20 percent), and requires quarterly interest payments. Permanent financing, which will provide a fixed market rate, is only available through HUD after it holds a public offering of notes. The County will repay both principal and interest over a 10-year period using County general funds. The estimated annual loan repayment under permanent financing is \$1,325,000. The EDI funds will be granted to the County and do not require repayment.

In order to secure the Section 108 Loan Guarantee, HUD requires that the County pledge future allocations of Community Development Block Grant (CDBG) funds. HUD also requires that the County provide a County-owned property as collateral, and the CEO has selected a property located at 5850 South Main Street in Los Angeles; this is subject to change if the CEO identifies a more suitable property that meets HUD requirements.

Subject to the conditions of these HUD programs, including the repayment of the loan, the County must enter into an agreement with HUD for the receipt and use of these funds. The Section 108 Loan Guarantee and EDI Grant proceeds must be drawn down in equal amounts and must be expended by December 2010 or the unexpended balance returned to HUD. The funds will be included in the Commission's Fiscal Year 2010-11 budget process.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Under Section 108 of the Housing and Community Development Act of 1974, as amended, the County can apply to HUD for loan guarantees provided it pledges future CDBG allocations and provides collateral to secure the loan. The Section 108 Loan Guarantee Program makes funds available for eligible activities that benefit low-and moderate-income persons, or eliminate conditions of slum and blight.

Approval of this application by HUD will enable the County to receive a total of \$20,000,000 of federal assistance, to provide financing that will enable the development of the South Health Center, an approximately 33,000 square foot health facility in the Empowerment Zone. The facility will be developed on a Commission-owned site of approximately 74,040 square feet, located on the northwest corner of 120th Street and Wilmington Avenue in unincorporated Willowbrook. The project budget is currently estimated between \$17.0 and \$19.0 million; the final budget will be determined upon completion of the procurement process for the construction of this new health center.

Following approval by HUD of the application for the loan and for the related EDI grant funds, the Commission and the CEO will return to your Board to execute a Memorandum of Understanding that delineates responsibility and requirements for use of the land, construction of the project, financing of the project, award of the construction contract upon completion of the procurement process, and to approve the loan security structure.

Pursuant to 24 Code of Federal Regulations, Section 570.704, Paragraph (a)(2)(iii), the Commission published a notice in the Los Angeles Times and Our Weekly newspapers advising residents of a 14-day public comment period and community meeting on the proposed South Health Center project. The comment period concluded on August 27, 2009, and no public comments were received. The Commission held the community meeting on September 1, 2009 at the Claude Hudson Auditorium, located at the Martin Luther King, Jr. Multi-Service Ambulatory Care Center, located at 12021 S. Wilmington Avenue in unincorporated Willowbrook. The community provided positive comments regarding the proposed South Health Center facility and services; no objections were received on the proposed use of the HUD funds for the project.

ENVIRONMENTAL DOCUMENTATION

An Environmental Assessment was prepared for a similar medical use project on the same site, pursuant to the requirements of the National Environmental Policy Act of 1969. Based on the conclusions and findings of the Environmental Assessment, a Finding of No Significant Impact was approved by the Certifying Official of the Community Development Commission on October 22, 2002. Following the required public and agency comment period, HUD issued a Release of Funds for the project on November 30, 2002. Two subsequent Amended Environmental Assessments have been prepared reflecting smaller project scopes on the same site. The Amended Environmental Assessments did not identify any additional environmental impacts.

Therefore, the original Finding of No Significant Impact and Release of Funds still applies.

Pursuant to CEQA requirements and consistent with CEQA Guidelines, an Amended Environmental Assessment/Mitigated Negative Declaration (AEA/MND) was prepared for the construction of a 49,117 square foot medical office building on this site. Community Development Commission adoption of the AEA/MND and the Mitigation Monitoring and Reporting Program on August 8, 2006, and filing of a Notice of Determination, meets the requirements of CEQA.

The AEA/MND has been amended a second time to reflect the current project scope (construction of an approximately 33,000 square foot health facility) and this amended AEA/MND does not identify any additional environmental impacts from this project. The County has reviewed the AEA/MND and Mitigation and Monitoring Plan and determined that this project (with implementation of the mitigation measures) will not have a significant effect on the environment. The County of Los Angeles' findings as a Responsible Agency, and filing of a Notice of Determination, meet the requirements of CEQA.

The environmental review record for this project is available for public review during regular business hours at the Commission's main office located at 2 Coral Circle in Monterey Park.

IMPACT ON CURRENT PROJECTS

The South Health Center project will allow DPH to provide services to the community in a single, convenient, state-of-the-art facility. The existing South Health Center facility will remain in operation during construction of the new building. The placement of the new facility will complement the outpatient health care services currently provided at the Martin Luther King Jr., Multi-Service Ambulatory Care Center. The project will benefit low-and moderate-income residents of the County through the provision of goods and services in the Empowerment Zone.

Respectfully Submitted,



SEAN ROGAN
Executive Director

cc: Chief Executive Officer
Acting County Counsel
Executive Officer, Board of Supervisors

Attachment



COUNTY OF LOS ANGELES

SECTION 108 LOAN GUARANTEE APPLICATION

FOR

SOUTH HEALTH CENTER

October 13, 2009

LOAN REQUEST

The County of Los Angeles (County), through the Community Development Commission of the County of Los Angeles (CDC), is requesting \$10,000,000 in Section 108 Loan Guarantee (B-94-UC-06-0505) funds and \$10,000,000 in Economic Development Initiative (EDI) Grant (B-95-EZ-06-0002) funds from the U.S. Department of Housing and Urban Development (HUD) to provide financing for the development of a two story, +/-33,000 square foot County South Health Center (SHC) with surface parking in the federally designated Los Angeles Empowerment Zone. The proposed Project is to be developed on a +/-74,040 square foot site located on the northwest corner of 120th Street and Wilmington Avenue in the unincorporated Willowbrook area of the County of Los Angeles (see Exhibit 1).

The County will repay the requested \$10,000,000 Section 108 Loan with County general funds and will provide a first Deed of Trust on County-owned property as collateral to secure the Section 108 Loan. The Loan will be structured to use interim financing for up to one year. Within a year, the County will obtain permanent financing via HUD's public offering of notes and amortize the Loan over ten years. The Loan will be matched by a \$10,000,000 EDI Grant to stimulate economic development in the Empowerment Zone through the creation of jobs and provide much needed services to residents of the Empowerment Zone.

PROJECT BACKGROUND AND DESCRIPTION

History of Funds

In 1995, HUD, in conjunction with the County and the City of Los Angeles, recognized the need and the opportunity for economic development in the impoverished communities of Los Angeles. A new Supplemental Empowerment Zone designation was included in HUD's original Empowerment Zone program. In June of 1995, the County accepted a \$25,000,000 EDI Grant award and an associated \$25,000,000 award of Section 108 Loan Guarantee Program authority. The requested \$10,000,000 EDI and the companion \$10,000,000 Section 108 Loan funds are included in the original awards of \$25,000,000 each under EDI Grant Number B-95-EZ-06-0002 and Section 108 Loan Guarantee B-94-UC-06-0505. On October 11, 2006, the CDC submitted a request to HUD to extend the deadline of December 31, 2007 in order to withdraw and expend the EDI Grant and companion Section 108 Loan funds. The request for additional time was needed to complete the design and development of a medical facility. On January 11, 2007, HUD granted our request to extend the date to December 31, 2010 to allow withdraw and expenditure of the EDI and Section 108 Loan funds.

Targeted Service Area

The unincorporated area of Willowbrook is located within the Los Angeles Empowerment Zone (EZ) (see Exhibit 2), a 10.5 square mile area economically distressed and afflicted by high unemployment rates, limited access to health care and poverty. The Empowerment Zone is also located within the County's Service Planning Area 6 (SPA 6) (see Exhibit 3), one of eight public health planning areas which the County plans and provides clinical services according to the health needs of local communities. SPA 6 covers 71.3 square miles in a densely populated area of the County.

Based on the 2007 Census data, the estimated population of SPA 6 is 958,788 residents, approximately ten percent of the entire population of Los Angeles County. To better understand the demographics of SPA 6, listed below are data that describe the composition of its residents:

- 66.5% low- to moderate-income residents
- 28% are living below the federal poverty level based on 2008 census information
- 62.7% Latino and 33.4% African American residents
- 58% between the age of 18-64 and 35% between 0-17 years old
- 8% over 65 years of age
- physician to resident ratio is 1:3,396 vs. a national ratio of 1:237

Based on key indicators of health, SPA 6 residents have continually suffered due to a lack of access to health care when compared with other communities in the County. Disease prevalence and incidence rates for most major disease categories are higher in SPA 6 when compared to all other service areas in the County. Poverty-related health problems such as substance abuse, infant mortality, and psychological illness are endemic within SPA 6. SPA 6 lacks sufficient preventive medicine programs, that promote health and prevents disease in individuals and defined populations. Furthermore, healthcare access for both the indigent and under-insured residents of SPA 6 is greater than any other SPA. The downsizing of the County's Martin Luther King Jr.-Harbor Hospital in August 2007 further exacerbated the disparities in health care services for SPA 6 residents compared with other SPAs.

Given the foregoing, improving access to health care and preventive services for EZ residents are the high priorities for residents throughout the EZ.

South Health Center

The South Health Center is an existing County public health facility operated by the County's Department of Public Health (DPH). The existing SHC is approximately 19,051 square feet and is located at 1522 E 102nd St in the Empowerment Zone, approximately 1.9 miles from the proposed new location.

Originally constructed during the 1950s and 1960s, the existing SHC building and its systems have reached the end of their useful life cycles. The building is characterized by numerous functional deficiencies due to age, code noncompliance and inadequate operational capacities. Issues that have been identified include: inadequate access for the physically disabled; the existence of hazardous building materials; the exhaust fan for the tuberculosis clinic is not functioning; and the mechanical system does not have the code required air change capacities. The County reviewed various cost estimates ranging from code compliance upgrades to facility replacement. However, during the facility assessment and programming phase, it became apparent that the costs associated with code compliance upgrades would not provide the necessary operational benefits or significantly extend the useful life of the facility. It was determined that the best and most cost efficient alternative is to develop a new state of the art health care facility to accommodate the current programs.

A new SHC will have the capacity to accommodate program improvements and expansion based on the SPA 6 health care needs within a new, state of the art Leadership in Energy and Environmental Design (LEED) silver certified building with a 50 year plus life span.

Services provided within the SHC will consist of: immunizations; treatment and prevention of communicable diseases such as tuberculosis and sexually transmitted diseases; visits by public health nurses to families with communicable diseases; epidemiologists to investigate the sources of disease outbreaks; environmental health specialists to ensure safe food, water, and housing; and collaboration with community residents to improve health care within SPA 6.

SOURCES AND USES

The Sources and Uses table provides the estimated Project development costs and sources of financing. The use of Section 108 Loan and EDI grant funds for construction activities are subject to Davis-Bacon and State prevailing wage requirements. To ensure compliance with the above requirements, the County will implement its labor compliance monitoring procedures. Also, the County will be funding \$2,440,000 of project costs and is currently pursuing funding up to \$4 million from the Metropolitan Transportation Authority for street/sidewalk improvements within the project vicinity and to improve access to the nearby Rosa Parks Metro-Rail Transit Station.

Sources of Financing	
Sec. 108 Loan	\$10,000,000
EDI Grant	\$10,000,000
Net County Costs	\$2,440,000
Total Financing	\$22,440,000
Uses	
Hard Costs	\$16,200,000
(Design Build contract, site clearance, contingency, etc.)	
Furniture, Fixtures & Equipment	\$2,150,000
Soft Costs	\$4,090,000
(A&E, permits/fees, inspections, contract admin, testing, financing costs, underwriting fees, etc.)	
Total Project Costs	\$22,440,000

PRE-AWARD COSTS

As part of this Section 108 Loan application and pursuant to Section 570.200(h), the County is also requesting authority to incur the following pre-award costs for reimbursement as soon as the Request of Release of Funds is approved by the HUD Los Angeles Field Office: architectural and engineering costs, preliminary design-build cost, permits and fees, inspections and testing, construction soft costs, site clearance and preparation, including but not limited to demolition, removal of underground utilities, removal and re-compaction of soils, and preparing utilities lines up to the property line for subsequent connection. The proposed health facility has been included in the County's 2009-2010 One Year Action Plan as required and will comply with Section 570.200(h).

OTHER SOURCES OF FUNDS

Based on the current State budget and its impact on local jurisdictions, the County has no other funding resources available to develop a new public health facility to properly accommodate all SHC services within a code compliant building. The SHC Project is a County priority in order to continue to provide critically needed health services to SPA 6 residents. Without the requested HUD funds, the County would not be able to sustain health clinic and program services resulting in the disruption or cancellation of a significant number of health care services to the community.

REPAYMENT AND FINANCING TERMS

The County will use General Funds and other funds that may be designated by the County to repay the Section 108 Loan. The Amortization Schedule for the proposed Section 108 Loan is provided as Exhibit 4. The \$10 million loan will be amortized over 10 years with annual principal payments of \$1,000,000. The projected interest rates are conservatively based on the most recent HUD public offering of notes plus 1%; thereby the rates commence at 5.3% and end at 7.1% in year 10. The County is the borrower for the HUD Section 108 Loan funds and will enter into a Section 108 Contract for Loan Guarantee Assistance with HUD. The Promissory Note and all related documents will be executed by the County in a form acceptable to HUD.

Interim Financing and Permanent Loan

The County anticipates drawing down the Section 108 Loan and the EDI grant funds concurrently under interim financing. Once permanent financing is available through HUD, the County intends to participate in the public offering of notes to obtain fixed interest rates for the term of the loan.

COLLATERAL

To assure the repayment of the Section 108 Loan, the County is required to pledge grants for which the County may become eligible under 24 CFR Section 570.500, which are primarily Community Development Block Grant (CDBG) funds. As required by HUD, the County will provide collateral in the form of a first Deed of Trust on the following "County" owned property:

Location: 5850 South Main Street, Los Angeles, CA 90003
Land Size: 244,179 square feet or 5.6± acres
Improvements: 34 year old, Class B building, gross area of 138,095± square feet
2 story building, with paved 349 space parking lot

Based on the MAI appraisal dated, August 2009, the total estimated fair market value is \$14,500,000 for both the land and the improvements. The property is improved with a County public facility that provides primary health care services to the community. The County property exceeds the required \$12,500,000 (125% of loan amount) to secure a \$10 million Section 108 Loan.

DEVELOPMENT SCHEDULE AND STAGES

The County has elected to use a Design/Build method that allows for fast-tracking various construction activities concurrently. This delivery system enables a project to proceed at a more accelerated pace than the traditional, design-bid-build methodology. Recognizing the importance to make the SHC Project “shovel ready,” the County has undertaken the following tasks:

- completed the environmental review process under National Environmental Policy Act (NEPA) on September 16, 2009; obtained Release of Funds from HUD Los Angeles Field Office
- completed a Needs Assessment for the proposed SHC facility in May 2009
- completed SHC Space and Functionality Programming in August 2009
- completed the entitlement process (i.e. planning approvals) in August 2009
- issued the Request for Qualifications for a Design-Build team in September 2009; and is preparing project specifications to complete the Design-Build procurement process
- initiated the first phase of site clearance on September 23, 2009

Below is the Project Development Schedule, which identifies several tasks to take place during HUD’s review of this Section 108 Loan Application. The core and shell will be completed by December 2010, which is the deadline to withdraw and expend the \$10 million EDI grant funds. However, the County is respectfully requesting an additional eight (8) month time extension to withdraw and expend the EDI grant funds and companion Section 108 Loan funds in order to complete the SHC project. The time extension will allow the completion of tenant improvements for the health service providers. The County is available to answer any questions regarding our time extension request and the Project Development Schedule.

Project Development Schedule

Development Task	Estimated Completion Date
Procurement	
Prepare RFQ	August 2009
Issue RFQ	September 2009
Select Pre-Qualified Design-Build Contractors	September-October 2009
Issue Phase 2 of Design-Build Services - Bid	October 2009
Select Design-Build Contractor	January 2010
Award Design-Build Contract upon HUD approval of Section 108 Loan Application and EDI grant funds	February 2010
Design & Construction	
Prepare Construction Documents	February – May 2010
Obtain Building Permits	March 2010 – May 2010
Core/Shell Construction	March 2010 – January 2011
Underground Mechanical and Electrical Work	April 2010 – May 2010
Foundations and Slab on Grade	April 2010 – June 2010
Structural Frame and Concrete Decks	June 2010 – October 2010
Building Weather Tight (Skin and Windows)	October 2010 – January 2011
Tenant Improvements	January 2011 – July 2011
Partitions, Doors, Ceilings, HVAC, Electrical	January 2011 – May 2011
Modular Offices and Equipment	February 2011 – June 2011
Building Commissioning	February 2011 – July 2011
Building Completed - Tenant Move-in	August 2011

CITIZEN PARTICIPATION REQUIREMENTS AND PROJECT ELIGIBILITY

Citizen Participation

Prior to the submission of this Application, the County published a notice in two newspapers of general circulation to provide the public with an opportunity to comment on the Section 108 Loan and EDI Grant Application to assist with the development of the SHC Project. The 14-day comment period concluded on August 27, 2009 and no public comments were received. In addition to the notice, a community meeting was convened on September 1, 2009 in the Willowbrook unincorporated area to facilitate attendance by interested Empowerment Zone residents, and obtain the views of citizens on the proposed SHC Project. The community provided positive comments regarding the proposed SHC facility and services; no objections were received on the proposed use of the HUD funds for the SHC Project.

Eligibility

The proposed SHC Project consists of developing a two story, +/-33,000 square foot public health facility and on site parking. As previously described in this Application, the proposed SHC building will be a County public health facility operated by the County's DPH. Under the Section 108 Loan Guarantee regulations, the eligibility citation for this Project is 24 CFR §570.703(1). Since EDI Grant funds will also be used, the Project is eligible under the terms and

conditions of the EDI Grant Agreement, E-95-EZ-06-0002, as amended on May 18, 2004, as follows:

- Paragraph 2(b)(2), The Economic Development Fund-Empowerment Zone, and
- Paragraph 2(c) (10) Acquisition, construction, reconstruction, rehabilitation, or installation of public facilities . . . under 24 CFR §570.703(1).

During this ailing economy, each job retained is a significant gain to the local economy. As an economic development benefit, this Project will retain and create jobs. Through the development of a new SHC facility, DPH will retain approximately 90 full time equivalent jobs by operating in a larger state of the art SHC building. As noted above, prior evaluations of the current SHC building identified that it is in need of major rehabilitation work, which would require the facility to be closed for at least one (1) year until the rehabilitation work is completed. In addition, prior services that had to be discontinued or severely curtailed as a result of deficiencies in the existing SHC, will be restored in the new SHC facility, thereby creating additional jobs to accommodate an increase in services and patients.

By operating in a new building, SHC will offer patients improved service delivery such as lower waiting times; a secure and private setting for each of the clinic services to better manage patient medical care; and community meeting room/classroom space to encourage community engagement in health education. It is anticipated that the new efficiencies in the clinic areas will allow an increase in capacity by providing new services such as tobacco use cessation assistance; dental sealant programs for children; and chronic disease prevention and management education.

The new SHC location is adjacent to the County Martin Luther King, Jr. Multi-Service Ambulatory Care Center (see Exhibit 5), which simultaneously consolidates access to health care for SPA 6 residents, and is more accessible via public transportation due to its proximity to the 105 Freeway, Rosa Parks Metro Rail Transit Station and several bus lines. These factors will contribute to an increase in patients at the new SHC facility and ultimately the creation of new jobs.

Through the development of the proposed SHC facility, an important contribution to the Empowerment Zone is the creation of construction jobs. According to the Bureau of Labor Statistics, employment in the construction sector declined in July 2009 by 76,000, yielding an 18.2% unemployment rate for the same month. In line with the goals of the American Recovery and Reinvestment Act, which is to stimulate the economy through the creation of jobs, the EDI and Section 108 Loan funds will finance this “shovel ready” SHC Project. A local hiring program and an apprenticeship-training program will be requirements for the selection of the Design Build team. These construction jobs will pay the higher of federal or State prevailing wages, thereby increasing pay scales for many local residents and contributing to the local economy.

National Objective

The Project meets the National Objective of Activities Benefiting Low- and Moderate-Income Persons under 24 CFR Section 570.208(a)(1)(i), which requires a service area containing at least

51% low-and moderate-income persons. Based on the identified service area, as SPA 6, there are approximately 942,222 persons of which 626,553 (66.50%) are low and moderate-income persons according to 2007 Census.

LOCAL CONTACTS

For further information concerning this Application, please contact:

Community Development Commission of the County of Los Angeles
Cordé Carrillo, Director
Economic/Redevelopment Division
(323) 890-7205

Community Development Commission of the County of Los Angeles
Rita Reyes-Acosta, Development Specialist
Economic/Redevelopment Division
(323) 890-7169

SOUTH HEALTH CENTER

TWO STORIES
33,000 SF MAX. TOTAL

LOADING

PARKING

SURFACE PARKING
80 SPACES

PEDESTRIAN COURT

BANDERA STREET

BANDERA AV.

WILMINGTON AVENUE

TRASH

ASPH.

8-11' SET BACK

160'-0" EXISTING LOT

150'-2" BUILDING

THIS PROPERTY NOT PART OF PROJECT

8-11' SET BACK

DED.

3.7

1.1

3.6

2.1

3.3

2.2

2.4

9.3

1.1

2.6

2.6

2.7 TYP.

2.6 TYP.

2.9 TYP.

9

9

2.6

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14

1.1

2.5

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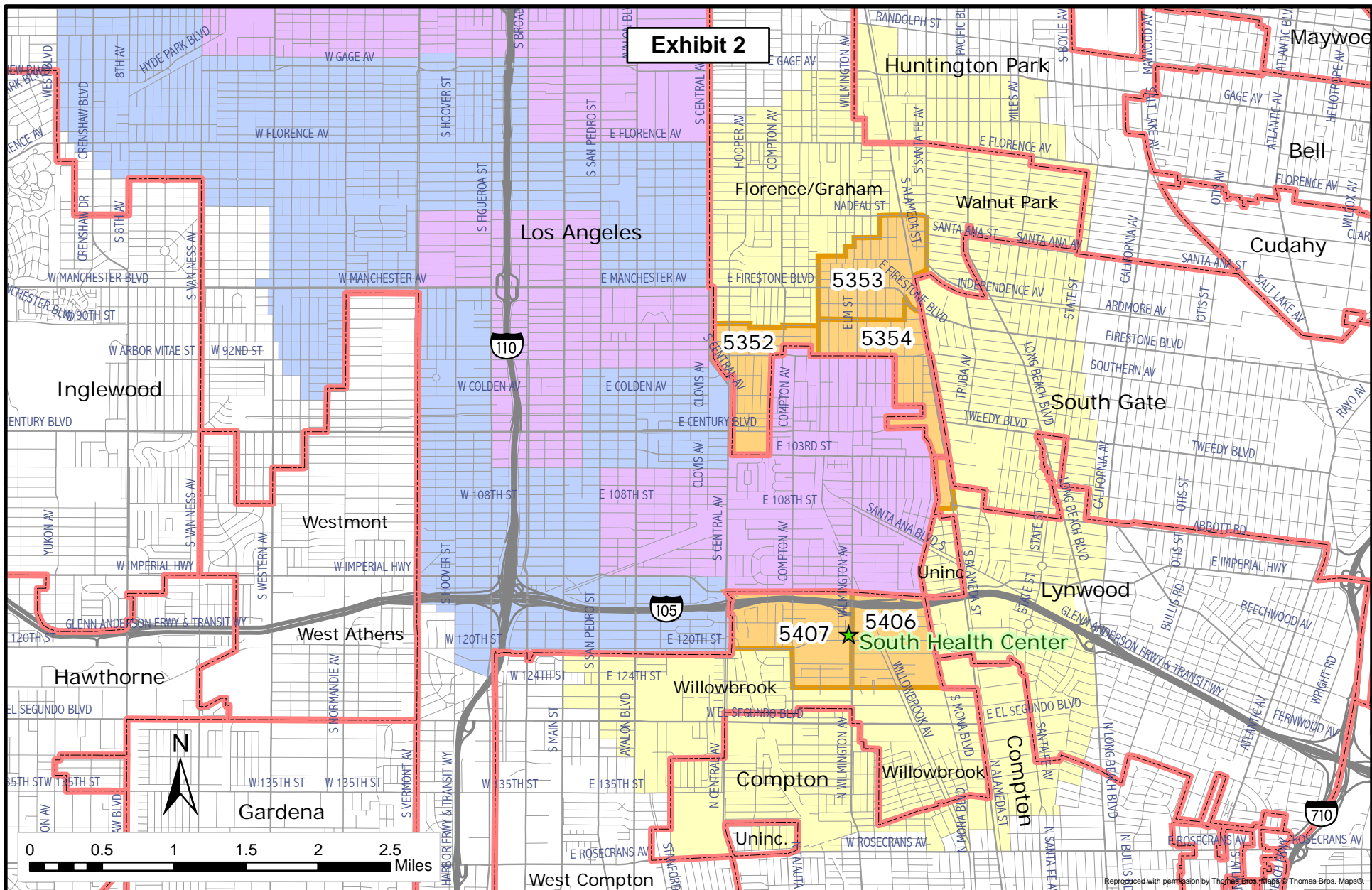
1.1

3.2

118th STREET

THIS PROPERTY NOT PART OF PROJECT

Exhibit 2



SHC in the Empowerment Zone

- County Target Zone (census tract)
- County "Buffer" Zone
- City of L.A. Target Zone
- City of L.A. "Buffer" Zone
- City Boundary
- Unincorporated (Uninc.)
- Freeway
- Ramp
- Highway
- Primary
- Secondary
- Local

**South Service Planning Area (SPA 6)
by Health District, and City**

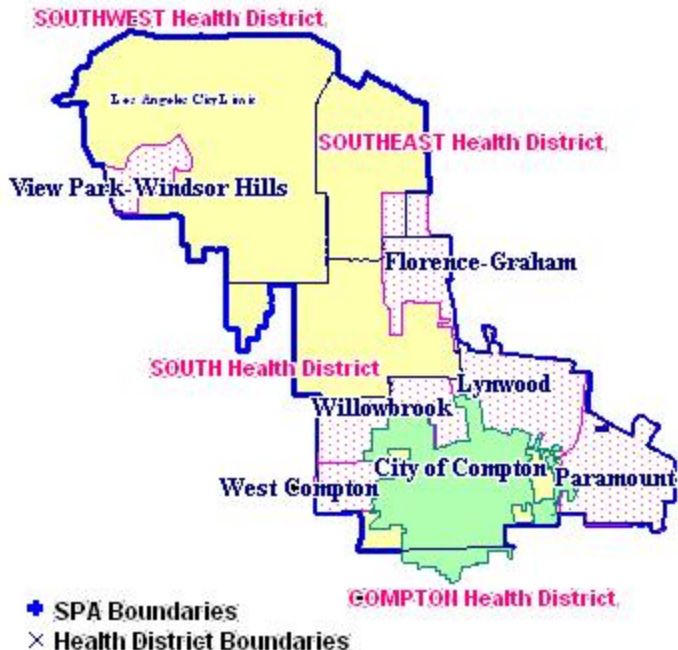


Exhibit 4

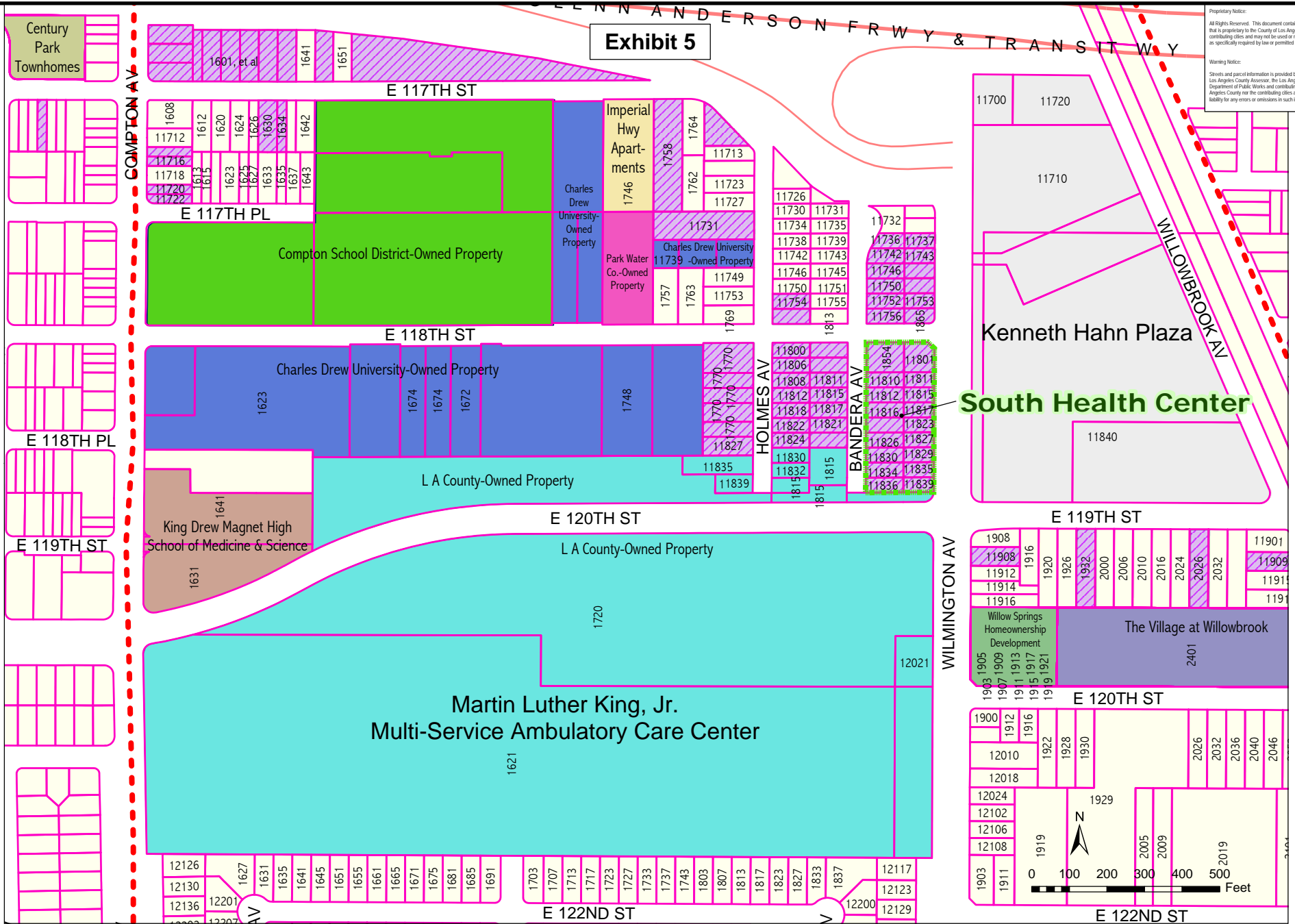
COUNTY OF LOS ANGELES
ESTIMATED AMORTIZATION SCHEDULE FOR \$10 MILLION SECTION 108 LOAN
SOUTH HEALTH CENTER PROJECT

YEAR	OPENING LOAN BALANCE	INTEREST RATE	INTEREST PAYMENT	PRINCIPAL PAYMENT	TOTAL PAYMENT	ENDING LOAN BALANCE
1	\$ 10,000,000	5.3%	\$ 530,000	\$ 1,000,000	\$ 1,530,000	\$ 9,000,000
2	9,000,000	5.5%	495,000	1,000,000	1,495,000	8,000,000
3	8,000,000	5.7%	456,000	1,000,000	1,456,000	7,000,000
4	7,000,000	5.9%	413,000	1,000,000	1,413,000	6,000,000
5	6,000,000	6.1%	366,000	1,000,000	1,366,000	5,000,000
6	5,000,000	6.3%	315,000	1,000,000	1,315,000	4,000,000
7	4,000,000	6.5%	260,000	1,000,000	1,260,000	3,000,000
8	3,000,000	6.7%	201,000	1,000,000	1,201,000	2,000,000
9	2,000,000	6.9%	138,000	1,000,000	1,138,000	1,000,000
10	1,000,000	7.1%	71,000	1,000,000	1,071,000	-

Exhibit 5

Proprietary Notice:
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Warning Notice:
Streets and parcel information is provided by the Office of the Los Angeles County Assessor, the Los Angeles County Department of Public Works and contributing cities. Los Angeles County nor the contributing cities assume any liability for any errors or omissions in such information.



Community Development Commission of the County of Los Angeles
SHC in the
Willowbrook Community Redevelopment Project
Northern Section
 August 13, 2009

- Parcel
- Willowbrook Redevelopment Project
- Redevelopment Project Boundary
- Freeways
- Freeway
- Ramp/Interchange
- South Health Center
- CDC-Owned Property
- CDC-Owned Property

